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COLLECTION

REPORT OF THE PROGRAMME AND BUDGET COMMITTEE ON THE WORK OF ITS THIRTEENTH SESSION

(8-11 September 1997)

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Introduction

1. The Programme and Budget Committee held its thirteenth session at UNIDO Headquarters, Vienna International Centre, from 8 to 11 September 1997. The following 24 of the 27 members of the Committee participated in the session: Austria, Belgium, Brazil, Denmark, Ecuador, Egypt, France, Germany, India, Italy, Japan, Kuwait, Libyan Arab Jamahiriya, Mexico, Nigeria, Republic of Korea, Romania, Russian Federation, Saudi Arabia, Slovakia, Switzerland, Thailand, United Kingdom of Great Britain and Northern Ireland, Uruguay.

2. The following 66 Members of UNIDO also attended the session: Algeria, Angola, Argentina, Australia, Azerbaijan, Bangladesh, Belarus, Bolivia, Bosnia and Herzegovina, Bulgaria, Chile, China, Colombia, Costa Rica, Croatia, Cuba, Cyprus, Czech Republic, Democratic People's Republic of Korea, Ethiopia, Finland, Gabon, Ghana, Greece, Guatemala, Haiti, Hungary, Indonesia, Islamic Republic of Iran, Iraq, Ireland, Jordan, Kazakhstan, Kyrgyzstan, Lebanon, Lesotho, Liberia, Luxembourg, Madagascar, Malaysia, Morocco, Netherlands, New Zealand, Nicaragua, Norway, Oman, Pakistan, Panama, Paraguay, Peru, Philippines, Poland, Qatar, Republic of Moldova, Slovenia, Spain, Sri Lanka, Sudan, Tunisia, Turkey, Uganda, Ukraine, United Arab Emirates, Venezuela, Yemen, Zambia.

3. The Economic Commission for Africa, Organization of African Unity, United Nations Development Programme, United Nations Educational, Scientific and Cultural Organization, United Nations Office at Vienna, World Health Organization were represented.

4. In accordance with rule 17 of its rules of procedure, the Committee elected by acclamation Mr. J. P. G. Freeman (United Kingdom of Great Britain and Northern Ireland) as Chairman; Mr. Y. M. Tiwari (India), Mr. S. Dahiru (Nigeria), and Mr. E. A. Stanislavov (Russian Federation) as Vice-Chairmen; and Mr. J. G. Young (Uruguay) as Rapporteur.

5. The agenda for the thirteenth session as adopted by the Committee is contained in document PBC.13/1. Following the adoption of the agenda, the Director-General made an introductory statement that was duly taken into account by the Committee in the consideration of the relevant agenda items.

6. The report of the Programme and Budget Committee is submitted to the Industrial Development Board in accordance with Article 10.4 (d) of the Constitution.

7. The report contains the conclusions reached by the Committee. The annex to the present report contains a list of documents submitted to the Committee at its current session.

8. The following conclusions of the Committee contain recommendations that call for action by the Board at its eighteenth session or are of relevance to the work of that session:

Conclusion	Subject
97/2	Financial situation of UNIDO and withdrawal of the United States of America
97/3	Financial regulations and financial rules
97/5	Scale of assessments for apportionment of the regular budget expenses
97/6	Working Capital Fund for the biennium 1998-1999
97/7	Industrial Development Fund and other voluntary contributions
97/8	Proposals for the appointment of an external auditor

I. ORGANIZATIONAL MATTERS

9. On 8 September, the Committee considered a proposal by the Chairman to optimize the *utilization of available conference-servicing resources* and adopted the following conclusion:

Conclusion 97/1

The Committee, with the aim of utilizing the available conference-servicing resources to the maximum extent possible, decided to suspend with immediate effect rule 24 of its rules of procedure relating to the quorum, for the meetings of its thirteenth session only, provided no substantive decisions were taken at those meetings.

10. The Committee also decided to set up informal in-session consultations with the aim of facilitating the drafting of conclusions and entrusted Mr. Y. M. Tiwari (India) (Vice-Chairman) to chair those consultations.

II. FINANCIAL SITUATION OF UNIDO (item 4); INTERIM FINANCIAL PERFORMANCE REPORT AND PROGRAMME PERFORMANCE REPORT FOR THE BIENNIUM 1996-1997 (item 5); FINANCIAL REGULATIONS AND FINANCIAL RULES (item 10); WITHDRAWAL OF THE UNITED STATES OF AMERICA (item 11)

11. On 8 September, the Committee considered the report of the External Auditor on the interim accounts of the United Nations Industrial Development Organization and of the Industrial Development Fund for the first year of the fiscal period 1996-1997 ended 31 December 1996 (PBC.13/3), a report by the Chairman (Mr. S. K. Lee, Republic of Korea) on the intersessional open-ended discussion group to study applicable measures to expedite timely payment of assessed contributions (PBC.13/5), a report by the Director-General on the financial situation of UNIDO (PBC.13/13), a note by the Secretariat on the financial situation of UNIDO (PBC.13/CRP.2), the interim financial performance report for the biennium 1996-1997 submitted by the Director-General (PBC.13/4) and the Annual Report of UNIDO 1996 (including programme performance report for 1996) (PBC.13/10, Add.1 and Add.2), a report by the Chairman (Mr. F. Mayrhofer-Grünbühel, Austria) of the intersessional working group on proposed amendments to the financial regulations (PBC.13/6), and a report by the Director-General on amendments to the financial rules (PBC.13/11) (for documents related to item 11, see para. 18 below).

12. On 11 September, after consideration of a draft conclusion on the *financial situation of UNIDO* and *withdrawal of the United States of America* submitted by the Chairman (PBC.13/L.4), the Committee adopted the following conclusion:

Conclusion 97/2 FINANCIAL SITUATION WITHDRAWAL OF THE UNITED STATES OF AMERICA

The Programme and Budget Committee:

(a) Recommended to the Industrial Development Board the adoption of the following draft decision:

"The Industrial Development Board:

"(i) Takes note of the report of the Director-General on the financial situation of UNIDO (PBC.13/13 and PBC.13/CRP.2) containing information concerning the status of assessed contributions, advances to the Working Capital Fund, cash flow estimates, regular budget performance, operational budget status and the separation indemnity reserve;

"(ii) Also takes note with concern of the information contained in the report by the External Auditor on the interim accounts for the first year of the fiscal period 1996-1997 (PBC.13/3-IDB.18/3);

"(iii) Further takes note of the report of the intersessional open-ended discussion group to study applicable measures to expedite timely payment of assessed contributions (PBC.13/5-IDB.18/5);

"(iv) Takes note of the information contained in the report on the withdrawal of the United States of America (PBC.13/9);

"(v) Urges those Member States that have not yet paid their assessed regular budget contributions, including advances to the Working Capital Fund, for the bienniums 1986-1987 to 1996-1997 to do so without further delay;

"(vi) Strongly urges the United States of America to pay immediately its international financial obligations to the Organization of $61.3 million (comprising $38.3 million and AS 278.6 million);

"(vii) Requests the Government of the United States of America to reimburse income tax on salaries and emoluments for UNIDO staff members who are United States citizens and appeals to the United States Government to reconsider its decision to terminate the tax reimbursement agreement with UNIDO."

(b) Noted the request of the Board contained in decision IDB.17/Dec.3, paragraph (c), for the open-ended discussion group on timely payment of assessed contributions to present recommendations to the Board before the seventh session of the General Conference.

13. On 11 September, after consideration of a draft conclusion on the *financial regulations and financial rules* submitted by the Chairman (PBC.13/L.3), the Committee adopted the following conclusion:

Conclusion 97/3 FINANCIAL REGULATIONS AND FINANCIAL RULES

The Programme and Budget Committee:

(a) Took note of the report of the Chairman of the intersessional working group on proposed amendments to the financial regulations (PBC.13/6);

(b) Also took note of the report by the Director-General containing in its annex amended financial rules 104.3, 109.6(b) and 110.7(b) (PBC.13/11-IDB.18/12);

(c) Recommended to the Industrial Development Board the adoption of the following draft decision:

"The Industrial Development Board:

"(i) Having considered conclusion 1997/3 of the Programme and Budget Committee, decides to submit to the General Conference at its seventh session for consideration and adoption the amendments to financial regulations 3.4(a), 5.1(d), 5.2(b), 10.1(b), 10.2(a) and 10.2(c), as set out in the texts contained in the annex to the present decision;"

"(ii) Requests the intersessional working group, under the chairmanship of Mr. F. Mayrhofer-Grünbühel (Austria), to continue its examination of financial regulations 4.2(b), 4.2(c), 4.3(b), 4.3(c) and 5.2(d) and to report to the Committee at its fourteenth session;"

"(iii) Requests the Secretariat to continue to provide the working group with information concerning the financial implications of these amendments."

Annex

Regulation	Text prior to amendment	Text as amended
3.4(a)	The regular budget shall be divided into programmes and subprogrammes for expenditure as well as into sections for income. It shall also be presented by major objects of expenditure. It shall be accompanied by such information annexes and explanatory statements as may be requested by the General Conference (hereinafter referred to as the "Conference"), the Board or the Programme and Budget Committee, as well as such annexes as the Director-General may deem necessary or useful. The regular budget also shall be accompanied by a statement on the main changes in comparison with the previous biennium.	3.4(a) The regular budget shall be divided into major programmes, programmes and subprogrammes for expenditure as well as into sections for income. It shall also be presented by major objects of expenditure. It shall be accompanied by such information annexes and explanatory statements as may be requested by the General Conference (hereinafter referred to as the "Conference"), the Board or the Programme and Budget Committee as well as such annexes as the Director-General may deem necessary or useful. The regular budget also shall be accompanied by a statement on the main changes in comparison with the previous biennium.
5.1(d)	Each assessment shall be established in a component in United States dollars and the remainder in Austrian schillings in direct proportion to the respective shares of regular budget expenditures determined by the Conference, upon recommendation of the Director-General, to be linked to these two currencies. The initial assessment in Austrian schillings shall be established at the United Nations accounting rate of exchange in effect at the time the regular budget is adopted by the Conference.	5.1(d) Each assessment shall be established in a component in United States dollars and the remainder in Austrian schillings in direct proportion to the respective shares of regular budget expenditures determined by the Conference, upon recommendation of the Director-General, to be linked to these two currencies.
5.2(b)	Half of the estimated miscellaneous income to the regular budget for the fiscal period, for which credits have not previously been taken into account, and adjustments in estimated miscellaneous income previously taken into account;	5.2(b) Half of the estimated miscellaneous income to the regular budget for the fiscal period and credits in respect of income not previously taken into account.

Regulation	Text prior to amendment	Text as amended
10.1(b)	To the General Fund shall be credited:	10.1(b) Unchanged.
	(i) The contributions to the regular budget paid by members pursuant to Financial Regulation 5.1;	10.1(b)(i) Unchanged.
	(ii) Any advances made from the Working Capital Fund to finance expenditures of the regular budget;	10.1(b)(ii) Unchanged.
	(iii) Revenue derived from the Staff Assessment Plan;	10.1(b)(iii) Deleted.
10.1(b)	(iv) Miscellaneous income to the regular budget including income from investment of the Working Capital Fund and the General Fund, proceeds from the provision or rental of goods or services, or adjustments arising subsequent to the closing of an operational budget account such as a trust fund, special account, project, etc.	10.1(b)(iii) [text unchanged, renumbered only].
10.2(a)	The Director-General shall establish such accounts and maintain such accounting records as are necessary.	10.2(a) The Director-General shall establish such accounts and maintain such accounting records as are necessary, giving due consideration to the United Nations accounting standards.
10.2(c)	The Director-General also shall prepare and submit:	10.2(c) Unchanged.
	(i) A statement showing the assets and liabilities of the Organization at the close of the fiscal period;	10.2(c)(i) A statement of income and expenditure and changes in reserves and fund balances;
	(ii) An analysis of the financial situation of the Organization at the close of the fiscal period;	10.2(c)(ii) A statement of assets, liabilities, and reserves and fund balances;
	(iii) Such other information as may be appropriate.	10.2(c)(iii) A statement of cash flow;
		10.2(c)(iv) A statement of appropriations by major programme;
		10.2(c)(v) An analysis of the financial situation of the Organization at the close of the fiscal period;
		10.2(c)(vi) Such other information as may be appropriate.

III. PROGRAMME AND BUDGETS, 1998-1999 (item 6); SCALE OF ASSESSMENTS FOR APPORTIONMENT OF THE REGULAR BUDGET EXPENSES (item 7); WORKING CAPITAL FUND FOR THE BIENNIUM 1998-1999 (item 8)

14. On 8 and 9 September, the Committee considered proposals by the Director-General containing an indicative 10 per cent budget reduction (PBC.13/14/1), an indicative 20 per cent reduction (PBC.13/14/2), an indicative 30 per cent reduction (PBC.13/14/3), programmatic and policy implications of the indicative budget reduction proposals (PBC.13/14/4) and personnel and financial implications of the indicative budget reduction proposals (PBC.13/14/5), a note by the Secretariat on the scale of assessments for the fiscal period 1998-1999 (PBC.13/12), and proposals by the Director-General on the Working Capital Fund for the biennium 1998-1999 (PBC.13/8).

15. On 11 September, after consideration of a draft conclusion on the *programme and budgets, 1998-1999* submitted by the Chairman (PBC.13/L.8), the Committee adopted the following conclusion:

Conclusion 97/4 PROGRAMME AND BUDGETS, 1998-1999

The Programme and Budget Committee,

(a) Took note of the documentation provided on the proposals for the programme and budgets, 1998-1999 (PBC.13/14/1-5);

(b) Also took note of the views expressed by Member States during the informal consultations, as reflected in the report of the Chairman contained in the annex to the present conclusion;

(c) Requested the Director-General to prepare a programme and budget proposal for the biennium 1998-1999 on that basis for submission to a resumed thirteenth session of the Committee to be held on 6 and 7 November 1997;

(d) Decided to establish an ad hoc open-ended working group under the chairmanship of Mr. J. A. F. M. Förster (Netherlands) for the purpose of examining issues related to field representation, including further opportunities for administrative savings and the extent to which those resources could be redeployed to the field.

(e) Requested the ad hoc open-ended working group to report to the resumed thirteenth session of the Committee, taking into account the need for the Director-General to reflect the recommendations emerging therefrom in his proposals.

Annex

Report of the Chairman, Informal Consultations H.E. Y.M. Tiwari (India)

Mr. Chairman, Distinguished Delegates,

1. When the Bureau first met at the beginning of the session to tackle the question of addressing the budget proposals, there was no clear solution pointing to a particular approach guaranteeing success. While I was honoured to be entrusted with the task of chairing this important exercise, it was with reluctance that I agreed to do so, knowing full well that it would be no easy task. Our first meeting—on Tuesday afternoon—began with a consensual agreement to use as a technical basis for our discussions the document covering the 20 per cent indicative reduction, without prejudice to the actual outcome of reductions to be applied to the various programmes and subprogrammes. Of paramount consideration at all times was the recognition that resource allocations were to reflect activities and priorities in the Business Plan.

Mr. Chairman,

2. It has often been said over the past few months that Member States have demonstrated a high regard for the principle of consensus. This spirit certainly prevailed in our discussions, which took place in an atmosphere of understanding of our common interest. The high quality of interventions reflected the degree to which many delegates have studied the detailed proposals and considered the implications of budgetary allocations attached to the programmes.

3. Not surprisingly, Mr. Chairman, Major Programmes C and D—which represent the essence of substantive programmes contained in the Business Plan—required difficult hours of discussion. There was general consensus that these two Major Programmes, which represent the main substantive areas of work of the Organization, should be preserved to the maximum extent possible. Major Programme E—containing the field representation element—was no less arduous.

4. To sum up our agreements, it must be said that in some cases both Germany and Japan expressed reservations pending the overall picture and instructions from their capitals.

Major Programme A

5. The meeting felt that the 20 and 30 per cent scenarios differed little in terms of cost, and the 10 per cent scenario had only a slightly higher budget but not significantly so. The meeting therefore proposed to recommend the 30 per cent budget reduction for this programme and achieve further savings by shortening meetings, speaking time, or both. There seemed to be an inclination to consider favourably the suspension of the relevant rule of procedures of the IDB (rule 69.1) regarding the issuing of summary records and issuing unedited transcripts of meetings as in other organizations.

6. The meeting also suggested that further savings may be found—as proposed by one Member State and supported by other Member States—in reducing the number and/or duration of IDB and PBC meetings.

Major Programme B

7. The meeting presented a very heterogeneous picture with a wide range of views. There were some views to abolish the New York and Geneva Liaison Offices; others urged caution not to close them. The majority saw the value in retaining the services of the liaison offices while emphasizing the continuing search for possible savings.

8. With the exception of one Member State in particular—who noted that Legal Services retained the same resources in all three scenarios—most other delegations understood the need for keeping the resources and staffing level proposed in the scenarios. There was some suggestion to economize—some small economies and major restructuring were suggested—in particular with respect to the regrouping of activities in an effort to support audit-related services. The meeting noted that the 20 and 30 per cent scenarios were practically identical in terms of budget allocations. The consensus which emerged was to recommend the adoption of the level of resources foreseen in the identical 20 and 30 per cent scenarios. There was also the proviso that, within this major programme, serious thought would be given to the relative weights of individual programmes. Moreover, further efforts should be made to achieve further savings in consultants, travel (particularly for the Liaison Offices), overtime and general temporary assistance.

Major Programme C

9. Most delegations agreed that this Major Programme is a key priority and fully corresponds to the Business Plan.

- C.1 (Industrial investment, technology and information): A figure less than a 20 per cent reduction of budget seemed to be acceptable to most delegations, while some Member States were in favour of eliminating subprogramme C.1.2 (Technological capacity-building). One delegation proposed to largely retain the activities foreseen under this subprogramme C.1.2 but incorporating them into subprogrammes C.1.1 (Investment promotion and technology transfer) and C.1.3 (Industrial information and networking) as appropriate.

- C.2 (Industrial policies and strategies): A reduction between 10 and 20 per cent was suggested. Most delegations agreed that this is a core global forum function of UNIDO which corresponds closely to the Business Plan. One Member State was in favour of reductions in subprogramme C.2.2 (Industrial statistics).

- C.3 (Institutional capacity-building): The programme was found to be fully in line with the Business Plan priorities. Most delegations supported the reduction of 10 per cent.

- C.4 (Integrated agro-industry development): This programme was also seen as a core priority of the Business Plan. The majority proposed no cuts with some Member States arguing even for increased resources for this programme.

C.5 (Other sectoral capacity-building): While the two subprogrammes under this programme were found by some delegations to be relatively small, most agreed to keep them at the 20 per cent reduction scenario.

Major Programme D (Cleaner and sustainable industrial development)

10. All delegations agreed that this Major Programme corresponds to the key priority established in the Business Plan.

- D.1 (Cleaner production): Reductions should be less than 20 per cent and more towards the 10 per cent scenario.

- D.2 (Applied environmental technologies): A 10 per cent reduction was agreed.

- D.3 (International environmental agreements): A 10 per cent reduction was retained.

Major Programme E (Regional programme management)

11. This Major Programme involved possibly the most complex and lengthy discussion and negotiation. There was general sentiment that the implications of the programme and budget proposals had not been fully developed to provide a comprehensive and clear picture of the future structures. The resource allocations to headquarters-based activities appeared to many Members to offer further scope for redeployment. The functions and linkages of the three levels foreseen (headquarters, subregional and country offices), in particular needed to be clearly defined. Some Members highlighted the importance of voluntary contributions for field structures to supplement the low resource level. There was an overall agreement that, at any rate, field structures should be strengthened as indicated in the Business Plan. In the final analysis, there was general consensus to retain the global resource figure for field offices as contained in the 20 per cent scenario document, linked with the request to the Director-General to effect further redeployments from all relevant parts of the Organization, to the maximum extent possible. Furthermore, at the conclusion of these present budget discussions, should further savings be identified for redeployment, such funds should be redeployed to field offices.

Major Programme F (Technical cooperation management)

- F.1 (Funds mobilization, project approvals and programme monitoring): It was requested that reductions be as close as possible to the 30 per cent scenario. In addition, the question was raised regarding the organizational location of Internal Audit in view of its close links with Evaluation and Programme Monitoring and also considering the issue of personnel setup with G.1.

- F.2 (Quality assurance and evaluation): A 20 per cent reduction was agreed.

- F.3 (Operational support): A reduction was requested which would move slightly beyond 20 per cent, with further cuts to be concentrated on staff costs. The question of the optimal organizational structure of Personnel Services and Financial Services was raised.

Major Programme G (Administration)

12. The general inclination was towards the maximum level of reductions. The 30 per cent scenario was accepted with the proviso that efforts to identify areas of further savings be continued. Resources thus saved should be used to strengthen field structures, in keeping with the concept of increased delegation of authority to the field. A small intersessional working group could be established for this purpose.

13. Concern was expressed over the methodology to be applied to separations and over the cost thereof. Member States urged the Secretariat to use a judicious mix of voluntary separations and expiration of fixed-term contracts no longer required in view of the discontinuance of activities in accordance with the Business Plan and in view of the major restructuring of UNIDO which would result therefrom.

16. On 11 September, after consideration of a draft conclusion on the *scale of assessments for apportionment of the regular budget expenses* submitted by the Chairman (PBC.13/L.2), the Committee adopted the following conclusion:

Conclusion 97/5 SCALE OF ASSESSMENTS FOR THE APPORTIONMENT OF THE REGULAR BUDGET EXPENSES

The Programme and Budget Committee:

(a) Took note of the note by the Secretariat on the scale of assessments for the fiscal period 1998-1999 (PBC.13/12);

(b) Proposed to the Industrial Development Board that it recommend to the General Conference the establishment of a scale of assessments for the biennium 1998-1999, based on the scale employed by the United Nations at the time of the seventh session of the General Conference.

17. On 11 September, after consideration of a draft conclusion on the *Working Capital Fund for the biennium 1998-1999* submitted by the Chairman

(PBC.13/L.5), the Committee adopted the following conclusion:

Conclusion 97/6 WORKING CAPITAL FUND FOR THE BIENNIUM 1998-1999

The Programme and Budget Committee recommended to the Industrial Development Board the adoption of the following draft decision:

"The Industrial Development Board:

"(a) Recommends to the General Conference that, due to changes in membership, the level of the Working Capital Fund for the 1998-1999 biennium should be $6,610,000 and that the authorized purposes of the Fund for the 1998-1999 biennium should remain the same as for the 1996-1997 biennium, i.e. as stipulated in decision GC.2/Dec.27, paragraph (b);

"(b) Urges Member States to pay their outstanding assessed contributions as soon as possible to minimize the need to withdraw sums to meet shortfalls in the payment of assessed contributions."

IV. INDUSTRIAL DEVELOPMENT FUND AND OTHER VOLUNTARY CONTRIBUTIONS (item 9); WITHDRAWAL OF THE UNITED STATES OF AMERICA (item 11); PROPOSALS FOR THE APPOINTMENT OF AN EXTERNAL AUDITOR (item 12)

18. On 9 and 10 September, the Committee considered a report by the Director-General on the Industrial Development Fund and other voluntary contributions (PBC.13/7), information on the nature of projects financed from the Industrial Development Fund, contained in the Annual Report of UNIDO 1996 (PBC.13/10/Add.1, appendix C), information on the nature of projects financed from third party and self-financed trust funds, contained in the Annual Report of UNIDO 1996 (PBC.13/10/Add.1, appendix D), a note by the Secretariat containing lists of projects approved under the Industrial Development Fund in 1996 (PBC.13/CRP.1), a report by the Director-General on issues arising from the withdrawal of the United States of America (PBC.13/9) and a report by the Director-General containing candidatures for the appointment of an external auditor (PBC.13/2).

19. On 11 September, after consideration of a draft conclusion on the *Industrial Development Fund and other voluntary contributions* submitted by the Chairman (PBC.13/L.6), the Committee adopted the following conclusion:

Conclusion 97/7 INDUSTRIAL DEVELOPMENT FUND AND OTHER VOLUNTARY CONTRIBUTIONS

The Programme and Budget Committee recommended to the Industrial Development Board the adoption of the following draft decision:

"The Industrial Development Board:

"(a) Takes note of the information contained in document IDB.18/9-PBC.13/7;

"(b) Decides to delegate to the Director-General the authority to approve projects for financing under the Industrial Development Fund in 1998 and 1999, in accordance with the information contained in chapter II of document IDB.18/9-PBC.13/7;

"(c) Encourages Member States to increase their pledges to the Fund and to make available funding from both multi- and bilateral sources for UNIDO projects and programmes related to high-priority activities or areas;

"(d) Encourages Governments of recipient countries to take a more active role in sharing with UNIDO the responsibility to mobilize funds from sources available to them for UNIDO projects and programmes related to high-priority activities or areas."

20. On 11 September, the Committee adopted a conclusion (97/2) on the *withdrawal of the United States of America* (see para. 12 above).

21. On 11 September, after consideration of a draft conclusion on *proposals for the appointment of an external auditor* submitted by the Chairman (PBC.13/L.7), the Committee adopted the following conclusion:

Conclusion 97/8 PROPOSALS FOR THE APPOINTMENT OF AN EXTERNAL AUDITOR

The Programme and Budget Committee recommended to the Industrial Development Board the adoption of the following draft decision:

"The Industrial Development Board recommends that the General Conference approve an extension of the present appointment of the President of the Federal Court of Audit of Germany as the External Auditor of UNIDO for a period of two years, from 1 July 1998 to 30 June 2000, under the terms of reference specified in the Financial Regulations of UNIDO."

V. DATE OF THE RESUMED THIRTEENTH SESSION

22. On 11 September, the Committee adopted the following conclusion:

Conclusion 97/9 DATE OF THE RESUMED THIRTEENTH SESSION

The Programme and Budget Committee decided to resume its thirteenth session on 6 and 7 November 1997.

VI. ADOPTION OF THE REPORT AND SUSPENSION OF THE THIRTEENTH SESSION (items 14 and 15)

23. On 11 September, the Committee adopted the draft report of its thirteenth session (PBC.13/L.1) on the understanding that the Rapporteur would be entrusted with the task of finalizing the report.

24. The Committee suspended its thirteenth session at 7.15 p.m. on 11 September 1997.

Annex

DOCUMENTS SUBMITTED TO THE THIRTEENTH SESSION

Symbol	Agenda item	Title
PBC.13/1	3	Provisional agenda
PBC.13/1/Add.1	3	Annotated provisional agenda
PBC.13/2	12	Candidatures for the appointment of an external auditor. Report by the Director-General
PBC.13/3-IDB.18/3	4	Report of the External Auditor on the interim accounts of the United Nations Industrial Development Organization and of the Industrial Development Fund for the first year of the fiscal period 1996-1997 ended 31 December 1996
PBC.13/4-IDB.18/4	5	Interim financial performance report for the biennium 1996-1997. Submitted by the Director-General
PBC.13/5-IDB.18/5	4	Intersessional open-ended discussion group to study applicable measures to expedite timely payment of assessed contributions. Report of the Chairman (H.E. Mr. S. K. Lee, Republic of Korea)
PBC.13/6-IDB.18/8	10	Intersessional working group on proposed amendments to the financial regulations. Report of the Chairman (H.E. Mr. F. Mayrhofer-Grünbühel, Austria)
PBC.13/7-IDB.18/9	9	Industrial Development Fund and other voluntary contributions. Report by the Director-General
PBC.13/8-IDB.18/10	8	Working Capital Fund for the biennium 1998-1999. Proposals by the Director-General
PBC.13/9-IDB.18/11	11	Issues arising from the withdrawal of the United States. Report by the Director-General
PBC.13/10-IDB.17/10	5	Annual Report of UNIDO 1996
PBC.13/10/Add.1-IDB.17/10/Add.1	5	Annual Report of UNIDO 1996. Programme performance report. Operational statistics and other appendices
PBC.13/10/Add.2-IDB.17/17/Add.2	5	Annual Report of UNIDO 1996. Programme performance report. List of technical cooperation projects
PBC.13/11-IDB.18/12	10	Amendments to the financial rules. Report by the Director-General
PBC.13/12-IDB.18/13	7	Scale of assessments for the fiscal period 1998-1999. Note by the Secretariat
PBC.13/13-IDB.18/14	4	Financial situation of UNIDO. Report by the Director-General
PBC.13/14/1-IDB.18/15/1	6	Programme and budgets, 1998-1999. Indicative 10 per cent budget reduction. Proposals by the Director-General

Symbol	Agenda item	Title
PBC.13/14/2-IDB.18/15/2	6	Programme and budgets, 1998-1999. Indicative 20 per cent budget reduction. Proposals by the Director-General
PBC.13/14/3-IDB.18/15/3	6	Programme and budgets, 1998-1999. Indicative 30 per cent budget reduction. Proposals by the Director-General
PBC.13/14/4-IDB.18/15/4	6	Programme and budgets, 1998-1999. Programmatic and policy implications of the indicative budget reduction proposals. Submitted by the Director-General
PBC.13/14/5-IDB.18/15/5	6	Programme and budgets, 1998-1999. Personnel and financial implications of the indicative budget reduction proposals. Submitted by the Director-General
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PBC.13/CRP.1	9	Industrial Development Fund and other voluntary contributions. Lists of projects approved under the Fund in 1996. Prepared by the Secretariat
PBC.13/CRP.2	4	Financial situation of UNIDO. Note by the Secretariat
PBC.13/CRP.3	3	List of documents
PBC.13/CRP.4	-	List of participants